

**1668 Allowance for Depreciation of Flight Equipment and Ground Property and Equipment and Amortization of Overhaul and Airworthiness Costs.**

(a) Record in accounts 1611 and 1618, inclusive, and 1650 through 1660, inclusive, accruals for depreciation of flight equipment and ground property and equipment.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation allowances to parallel balance sheet accounts 1601 through 1608 established for recording the cost of flight equipment and accounts 1630 through 1640 established for recording the cost of ground property and equipment.

(c) This account shall be used as a control account and shall reflect the total amounts recorded in balance sheet accounts 1611 through 1618 and 1650 through 1660 in addition to account 1629 Flight Equipment Airworthiness Allowance.

**1679 Land.**

Record here the initial cost and the cost of improving land.

[Amdt. 241-58, 54 FR 5593, Feb. 6, 1989]

**1685 Equipment Purchase Deposits and Advance Payments.**

Record here the amount of purchase deposits and advance payments made to acquire operating property and equipment under outstanding purchase commitments. Funds set aside but not deposited or used as advance payments should not be included in this account but in Account 1550 Special Funds.

**1689 Construction Work in Progress.**

(a) Record here all direct and indirect costs of the air carrier that are expended for constructing and readying property and equipment of all types and classes for installation in operations. The amount reported shall reflect all such expenses that are accumulated to the balance sheet date. Where properly includable in the property and equipment classification, record here also the accumulated costs for uncompleted overhauls of airframes, aircraft engines, or other material units of property.

(b) At the option of the air carrier this account may be used as a clearing account for recording the cost of property and equipment acquisitions prior to a distribution thereof to the appropriate property accounts, whether or not conditioning or modification is necessary before placing in service.

[ER-980, 42 FR 29, Jan. 3, 1977, as amended by Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

**1695 Leased Property Under Capital Leases.**

(a) Record here the total costs to the air carrier for all property obtained under capital leases.

(b) This account shall be subdivided by all air carrier groups as follows:

1695.1 Capital Leases—Flight Equipment.

1695.2 Capital Leases—Other Property and Equipment.

[ER-1401, 50 FR 241, Jan. 3, 1985, as amended by Amdt. 241-58, 54 FR 5594, Feb. 6, 1989]

**1696 Leased Property Under Capital Leases—Accumulated Amortization.**

(a) Record here accruals for amortization of leased property obtained under capital leases.

(b) This account shall be subdivided by all air carrier groups as follows:

1696.1 Accumulated Amortization—Capitalized Flight Equipment.

1696.2 Accumulated Amortization—Capitalized Other Property and Equipment.

[ER-1401, 50 FR 241, Jan. 3, 1985, as amended by Amdt. 241-58, 54 FR 5594,]

**NON-OPERATING PROPERTY AND EQUIPMENT**

“Nonoperating Property and Equipment” includes investments in property and equipment not separately accounted for within a nontransport division but assigned to other than air transportation and transport-related services, and property and equipment held for future use.

**1700 Non-operating Property and Equipment.**

The total cost to the air carrier of nonoperating property and equipment and related allowances for depreciation shall be recorded in balance sheet accounts 1701 through 1796 which, as set forth in section 3, Chart of Balance Sheet Accounts, parallel balance sheet accounts 1601 through 1689, for recording the cost of operating property and